



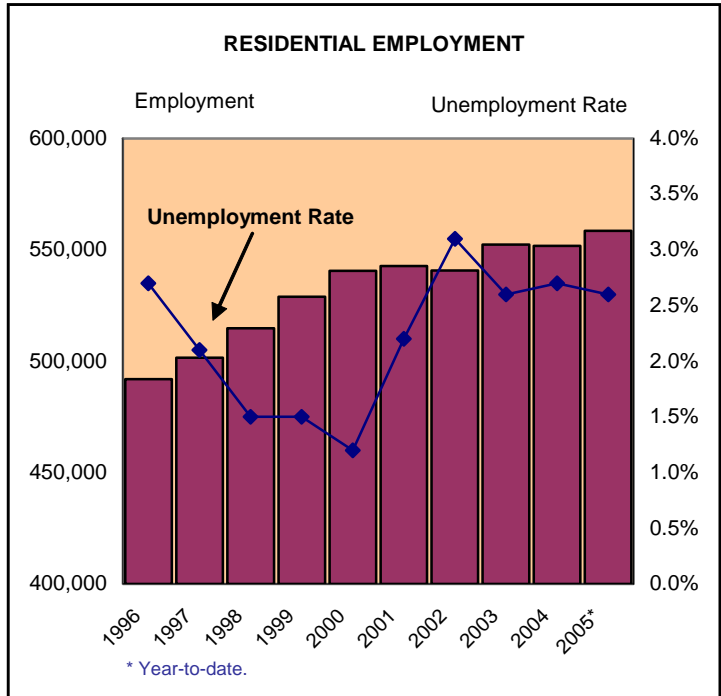
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

MARCH 2005

IN THIS ISSUE:

- The unemployment rate in Fairfax County for January 2005 increased to 2.6 percent over the revised level of 2.4 percent in December 2004, reflecting the layoff of temporary holiday workers. The number of employed County residents has increased 17,492 since January 2004.
(See page 1)
- March 2005 Sales Tax receipts for Fairfax County are \$10.6 million, an increase of 8.8 percent over March 2004. Sales Tax receipts are up 6.8 percent, fiscal year-to-date.
(See page 2)
- The number of new residential permits issued in February 2005 decreased 87.9 percent while new nonresidential permits decrease 17.7 percent over February 2004.
(See page 3)
- The number of existing single family homes sold rose 29.0 percent in January 2005 and the median value of these homes increased 6.0 percent over existing single family homes sold during 2004.
(See pages 4 and 5)
- While the number of new single family homes sold decreased 3.7 percent in January 2005, the median price of these homes increased 3.4 percent over single family homes sold during 2004.
(See pages 5 and 6)
- The Fairfax County Coincident Index increased in January 2005 while the Fairfax County Leading Index decreased.
(See pages 7 and 8)



Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

Employment

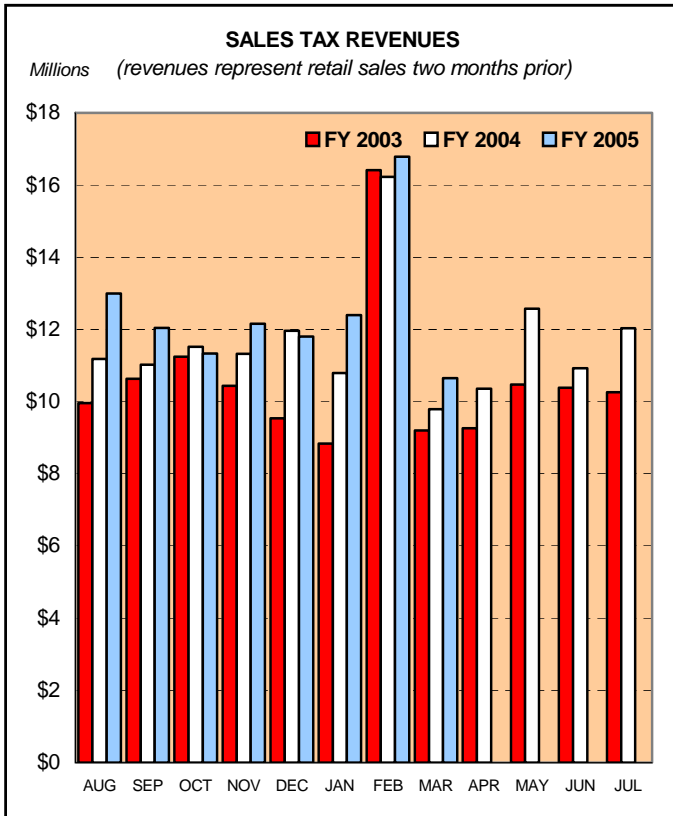
The January 2005 unemployment rate in Fairfax County increased to 2.6 percent from a revised 2.4 percent in December 2004. The rise in the jobless rate reflects a seasonal pattern resulting from layoffs of extra workers hired for the holidays. However, the number of employed persons has risen from one year ago. As reported by the Virginia Employment Commission (VEC), the number of employed Fairfax County residents was 558,515 in January 2005, an increase of 17,492 or 3.2 percent over January 2004. During this period, unemployment in Fairfax County decreased 0.4 percentage points from 3.0 in January 2004 to 2.6 in January 2005. It should be noted that the VEC re-benchmarked state and local employment figures for the period 1993 through 2004.

The January 2005 unemployment rate in Virginia was 3.7 percent, 0.3 percentage points higher than in December 2004. The December 2004 national unemployment rate was 5.4 percent.



The Fairfax County Economic Indicators is on the Web and can be accessed at:

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>



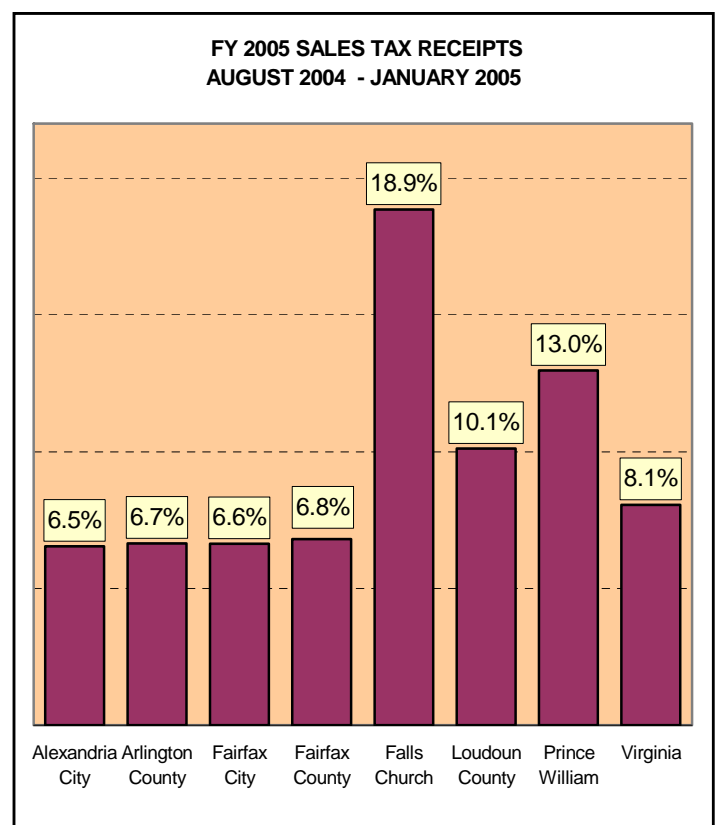
Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Sales Tax Receipts

March Sales Tax receipts for Fairfax County, representing retail purchases made in January, are \$10.6 million, an increase of 8.8 percent over March 2004. Sales Tax receipts have exceeded the same month value of the previous year for six out of the last eight months. Through the first eight months of FY 2005, Sales Tax receipts are up 6.8 percent over the same period in FY 2004.

National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary January 2005 retail sales estimates for the U.S. increased 0.3 percent over the previous month and increased 8.1 percent over January 2004. Compared to last year, gasoline station sales are up 17.1 percent; building materials and garden equipment increased 15.4 percent and motor vehicle and parts dealers are up 7.3 percent.



Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

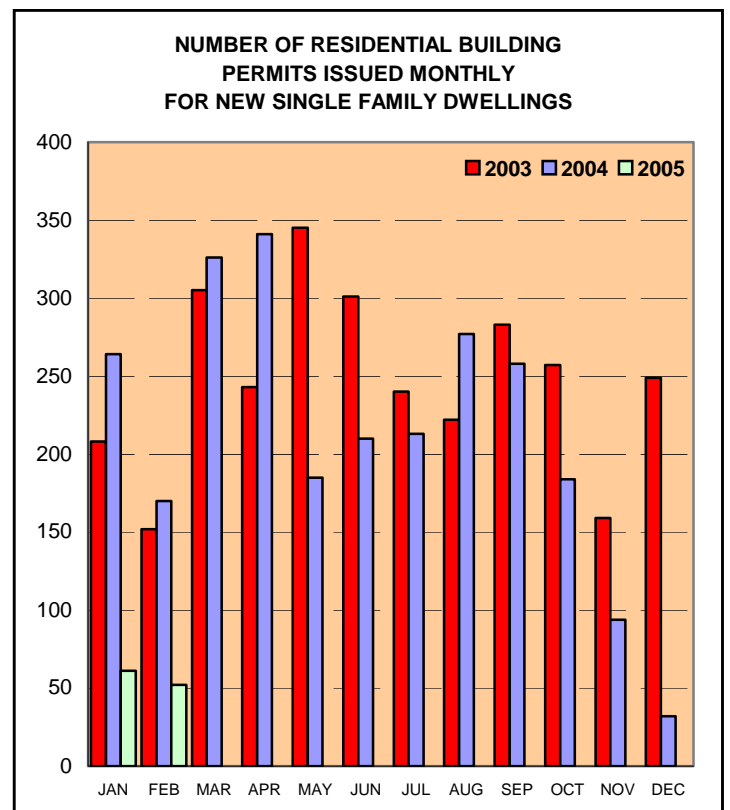
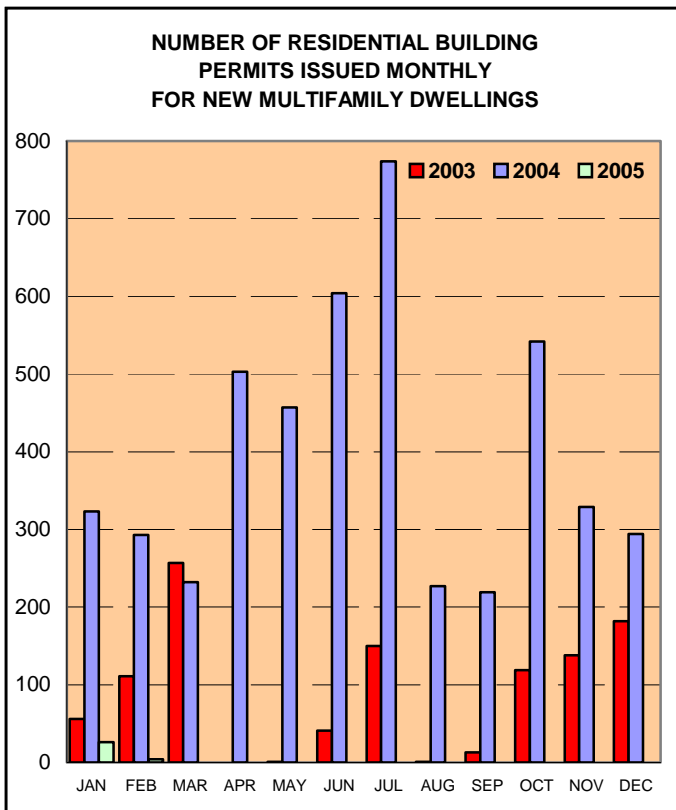
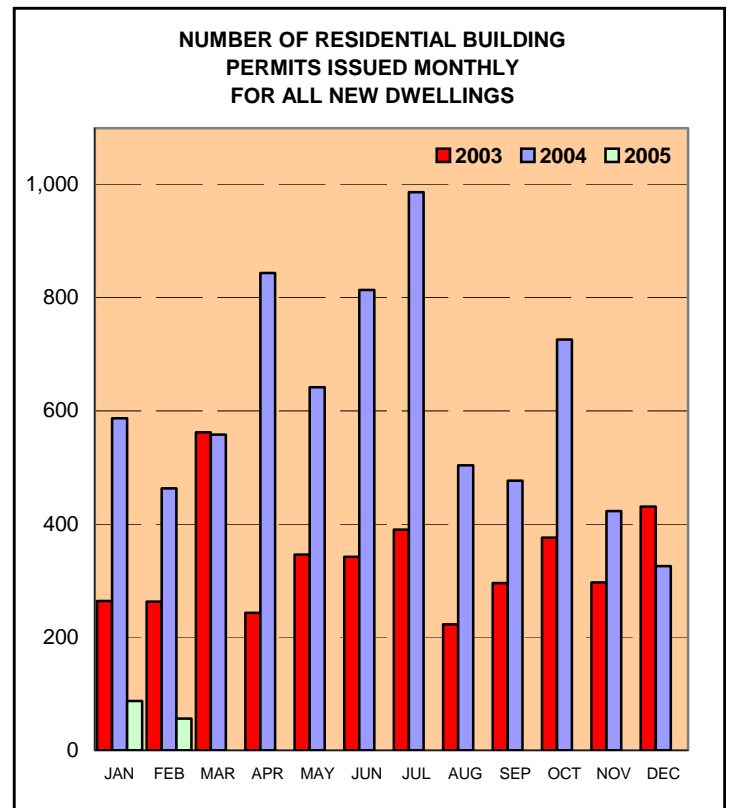
Neighboring Jurisdictions

All of the Northern Virginia localities have experienced a rise in Sales Tax receipts during the first eight months of FY 2005. Sales Tax receipts are up 18.9 percent in Falls Church; 13.0 percent in Prince William County; 10.1 percent in Loudoun County; 6.7 percent in Arlington County; 6.6 percent in Fairfax City; 6.5 percent in Alexandria and 6.8 percent in Fairfax County. Statewide Sales Tax receipts are also up. For the period August 2004 through March 2005, statewide sales tax receipts have increased 8.1 percent over the same period a year ago.

Building Permits

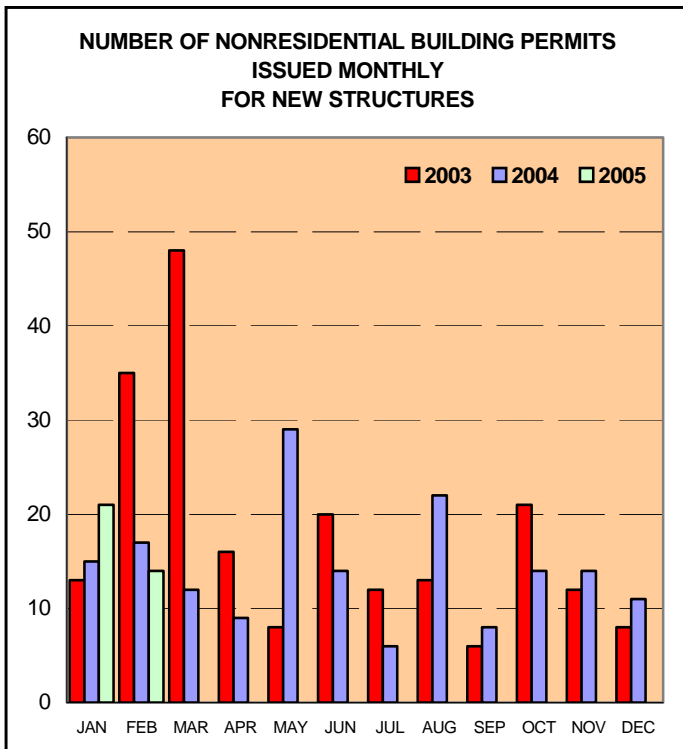
The issuance of new residential building permits declined significantly in February. In February 2005, 56 new residential dwelling permits were issued, down 87.9 percent, or 407 permits from the February 2004 total of 463. In February, 4 multifamily permits were issued, dropping sharply from last February by 98.6 percent or 289 permits. It should be noted that this decline is due primarily to a processing change. Multifamily permits can now be issued to contractors on a per floor basis instead of per unit, which was previously required. Single family permits issued in February 2005 total 52, down 69.4 percent, or 118 permits from February 2004.

Residential repair and alteration permits issued in February 2005 are 68, a decline of 232 permits or 77.3 percent from February 2004.



NOTE: In April 2003, no permits were issued; in May 2003 and August 2003, only one multifamily permit was issued and therefore, the bars are too small to discern.

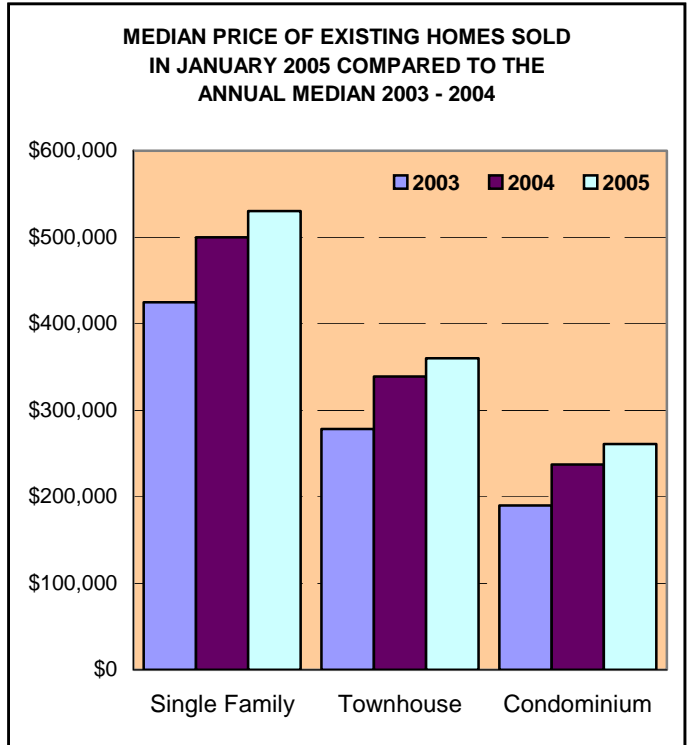
Source of data for all above charts: Fairfax County Department of Public Works and Environmental Services. Compiled by the Department of Management and Budget.



Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

Nonresidential Building Permits

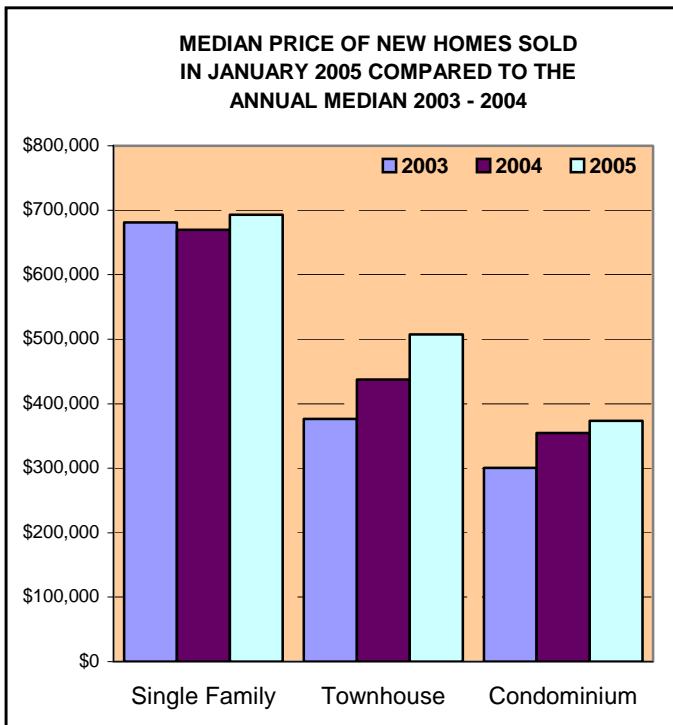
New nonresidential building permits issued in February 2005 declined slightly from the number issued in February 2004. In February 2005, 14 new nonresidential building permits were issued, a decrease of 17.7 percent, or 3 permits from February 2004. Nonresidential repair and alterations permits issued in February 2005 were 371, an increase of 52.7 percent or 128 permits over February 2004.



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Existing Home Sales Prices

All types of existing (previously owned) homes in Fairfax County experienced moderate growth in median sales price during January 2005. For existing single family homes, the median sales price of homes sold increased 6.0 percent to \$530,000, as compared to the 2004 median of \$500,000. The median sales price for existing townhomes sold during January 2005 rose to \$360,000 from the 2004 median of \$339,000, reflecting growth of 6.2 percent. The median sales price for condominiums increased to \$261,000 in January 2005 from \$237,500 in 2004, representing growth of 9.9 percent.



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

New Home Sales Prices

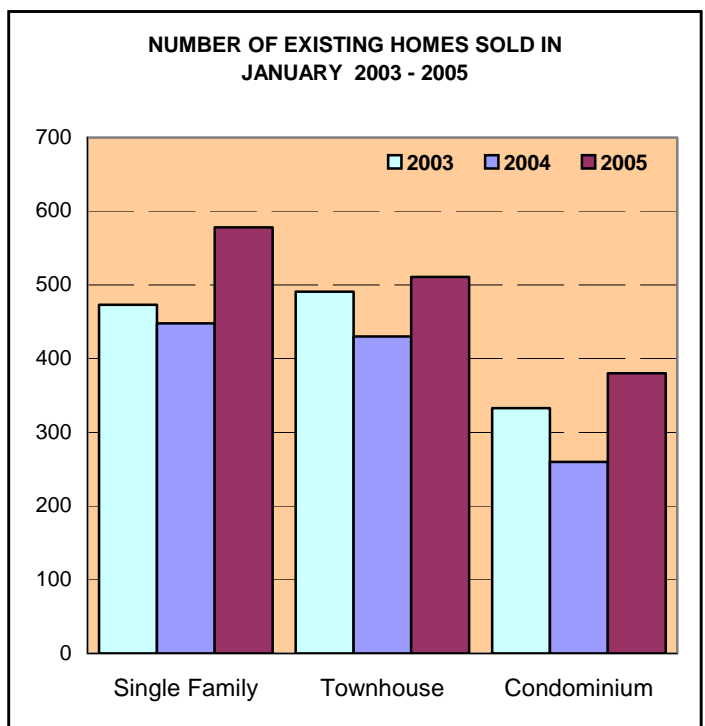
New homes in Fairfax County experienced uneven growth in median sales price during January 2005. The January 2005 median sales price for single-family homes grew to \$693,000 from the 2004 median of \$669,457, an increase of 3.5 percent. The January 2005 median sales price for townhouses increased 16.1 percent, from \$437,240 in 2004 to \$507,625, while the median sales price for condominiums increased 5.4 percent, from \$354,450 in 2004 to \$373,465.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD YEAR-END 2004 COMPARED TO SALES THROUGH JANUARY 2005

	Existing Sales	New Sales
Single Family	6.0	3.5
Townhouse	6.2	16.1
Condominium	9.9	5.4

Changes in selling prices, coupled with the volume of sales, are generally considered reasonable indicators of the County's real estate market. Median selling price increases do not translate directly into assessment adjustments, however, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. Changes in median selling prices are comparisons to the prices of homes sold during the prior year, and the type of homes sold (i.e., model, size, age, location, etc.) varies from one year to the next. The key factor in real estate assessments is not the change in the median sale price, but the relationship of assessments to selling prices within neighborhoods. To read more about Fairfax County tax assessments, please visit:

www.co.fairfax.va.us/dta/tax_assessment.htm

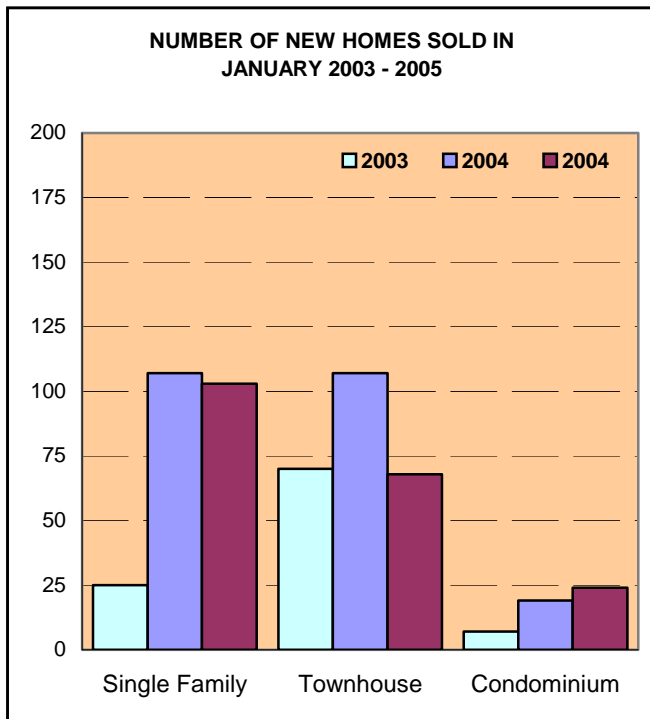


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Existing Home Sales Volume

Sales volume for existing (previously owned) homes was up for all home types in January 2005. Sales of existing single family homes increased from 448 to 578, reflecting growth of 29.0 percent over January 2004. Sales volume of existing townhomes increased in January 2005 to 511 from 430, reflecting growth of 18.0 percent over January 2004. The number of existing condominium sales reported for January 2005 increased 46.2 percent from 260 to 380 over January 2004.

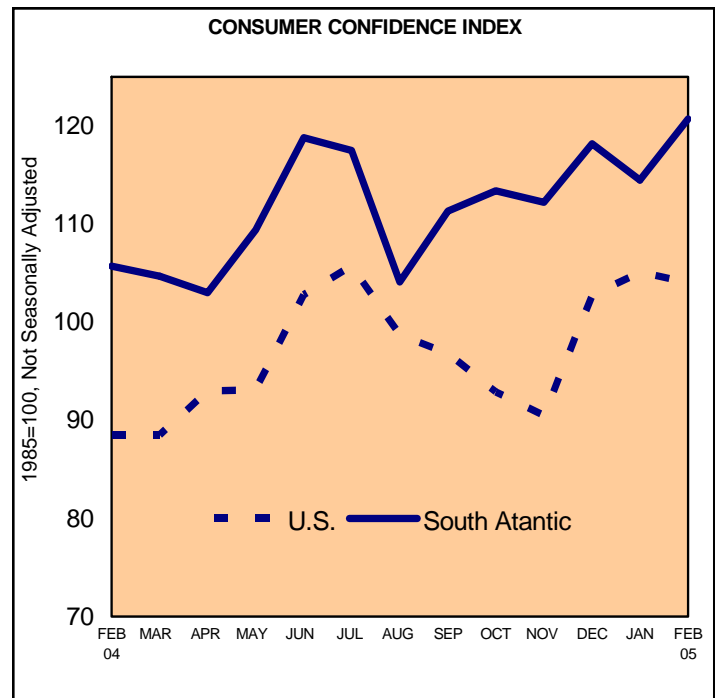
ADDITIONAL



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

New Home Sales Volume

Sales volume for new single family homes and townhomes was down for January 2005, while sales for new condominiums increased. The number of new single family homes sold decreased from 107 to 103 in January 2005, reflecting a decrease of 3.7 percent. Sales volume of new townhomes decreased 36.5 percent in January 2005, to 68 units from 107 in January 2004. The number of new condominium sales in January 2005 increased 26.3 percent from the 19 reported in January 2004 to 24 units in 2005.



Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index decreased 1.1 points in February 2005. The Index is 104.0, compared to the revised level of 105.1 reported in January 2005.

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In February 2005, the Present Situation Index increased to 116.4 from 112.1 points, a 4.3 point gain over last month. The Expectations Index; however, decreased to 96.1 from 100.4 for the previous month.

Consumer's six-month employment outlook in February was downbeat with a lower percentage of consumers saying that business conditions are good and jobs are plentiful. The number of consumers expecting fewer jobs in coming months increased in February 2005 to 16.8, 1.7 percentage points higher than the January 2005 level of 15.1 percent.

In the South Atlantic region, consumers were much more upbeat. The Consumer Confidence Index for the South Atlantic rose 5.4 percent from 114.5 in January to 120.7 in February.

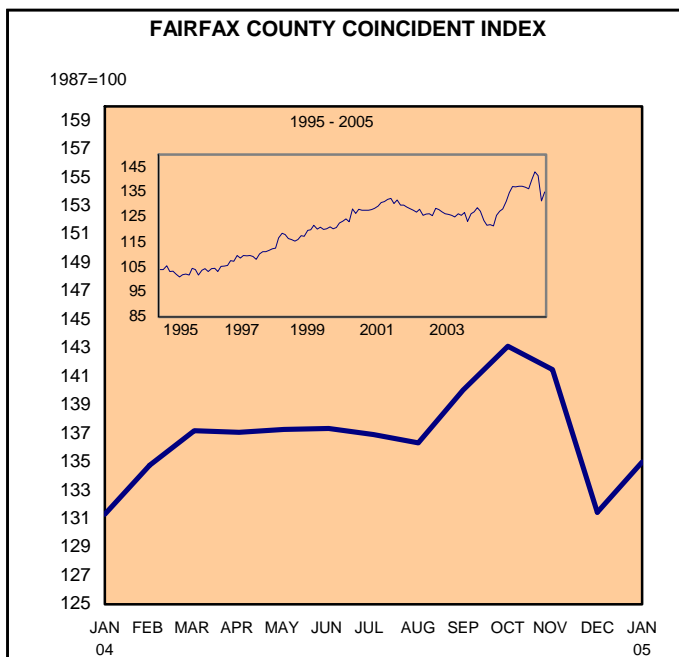
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

Fairfax County Coincident Index

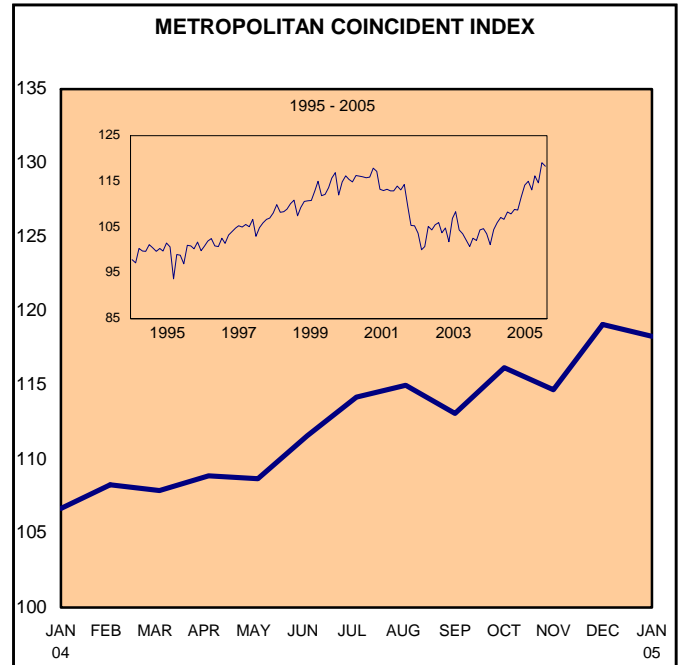


The Fairfax County Coincident Index, which represents the current state of the County's economy, increased to 135.0 in January 2005, a 2.7 percent increase over December 2004. The Index has increased sixteen consecutive months over last year's same-month value and is currently 4.7 percent above its January 2004 level.

In January, two of the Index's four components were positive. Transient occupancy tax collections, adjusted for inflation and seasonal variation, increased after two declining months. Sales tax collections, adjusted for inflation and seasonal variation, increased after two negative months. Consumer Confidence (in the present) decreased after rising in the two previous months. Total employment, after re-benchmarking for 2003 and 2004, declined for a third consecutive month.



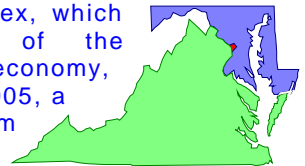
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.



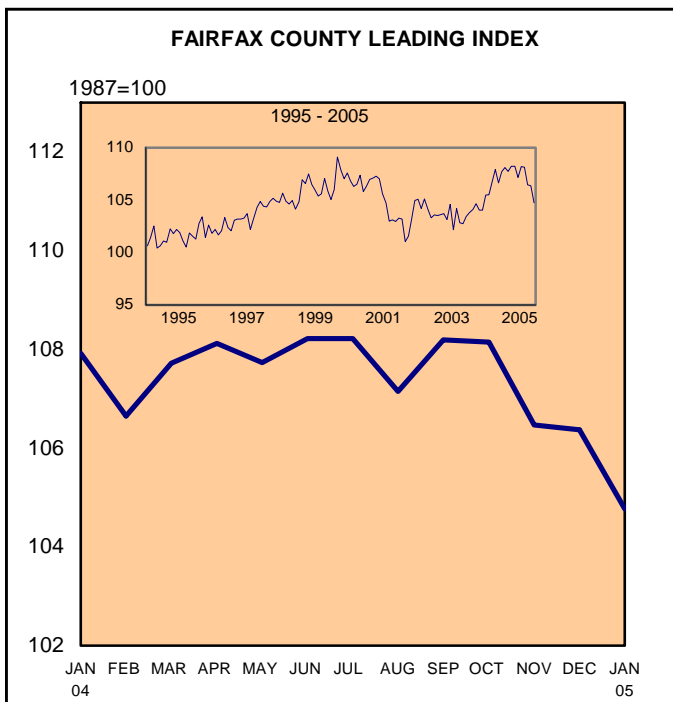
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, decreased to 118.3 in January 2005, a 0.97 percent decline from December 2004. Even with the decrease, the Index is up 7.1 percent over its January 2004 level. The Index has exceeded its same-month value from last year for fourteen consecutive months.



In January, two of the Index's four components were negative. Wage and salary employment declined in January 2005 for the first time in five months. In addition, Consumer confidence (in the present) decreased in January after two monthly gains. Domestic passenger volume at Reagan National and Dulles airports increased in January for the seventh time in eight months and nondurable goods retail sales rose for the fourth time in five months.



Source: Center for Regional Analysis, George Mason University.
Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Leading Index

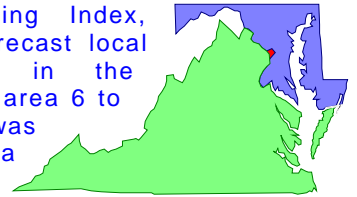


The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, decreased to 104.8 in January 2005, a 1.5 percent decline from December. The Index is currently down 2.8 percent from its January 2004 level.

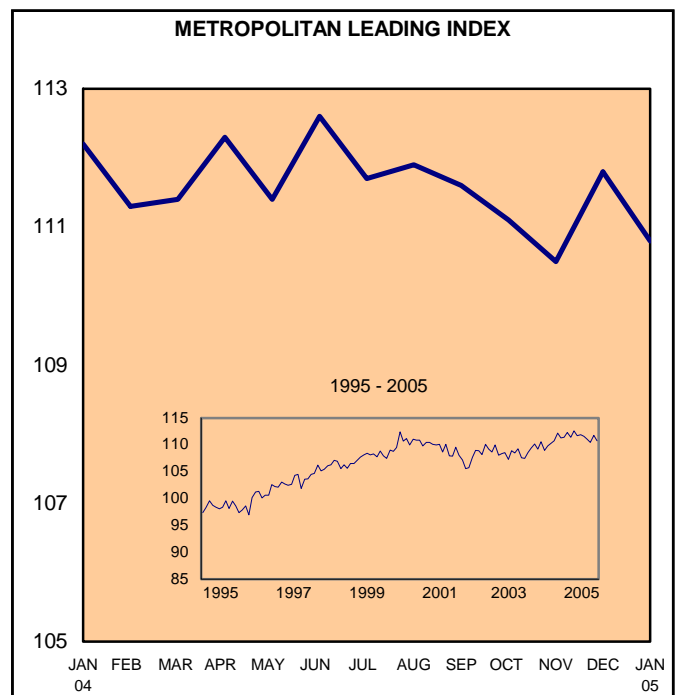
In January, three of the Index's five components contributed to its decrease. Residential building permits and the total value of residential building permits issued fell for a third month. In addition, consumer expectations (consumer confidence six months in advance) decreased in January 2005 for a second time in three months. In contrast, new automobile registrations increased for a second month and initial claims for unemployment decreased (improved) for the second time in three months.

Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, was 110.8 in January 2005, a decrease of 0.9 percent from December. The Index has exceeded its same-month value from last year for twenty-one consecutive months.



In December, all of the Index's five components contributed to its decline. Total residential building permits decreased for the third time in four months. Consumer expectations (consumer confidence six months hence) decreased for the second time in three months. The Help Wanted Index decreased following two months of gains. Initial claims for unemployment insurance increased (worsened) in January for a fourth month and durable goods retail sales decreased for the fourth time in five months.



Source: Center for Regional Analysis, George Mason University.
Compiled by the Fairfax County Department of Management and Budget.

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